

**STATEMENT OF THE HONORABLE EDWARD J. MARKEY OF MASSACHUSETTS
REGARDING INTRODUCTION OF THE ENERGY EFFICIENT BUILDINGS INCENTIVES
ACT
FRIDAY, SEPTEMBER 29, 2000**

Mr. Speaker, I am pleased to join with the gentleman from California (Mr. Cunningham) and a bipartisan coalition of other Members in introducing the "Energy Efficient Buildings Incentives Act."

Energy use in buildings in this country accounts for approximately 35% of polluting air emissions nationwide about twice as much as the pollution from cars. It costs the average American \$1500 to heat and cool their homes every year, which amounts to an annual cost of \$150 billion nationwide. Commercial buildings and schools incur \$100 billion in annual utility bills. And yet, the tax code fails to provide sufficient incentives to reduce wasteful and unnecessary energy use. This is bad policy, and it must be changed. In these times of "brown outs" and "black outs" in communities across this nation and in times of rising fuel prices, we should be looking for ways to ensure that energy is never wasted.

That is why we have introduced the "Energy Efficient Buildings Incentives Act." Our bill would spur use of energy efficient technologies, such as super-efficient air conditioning units, which could result in a substantial drop in peak electricity demand of at least 20,000 megawatts - the equivalent of the output of 40 large power plants. At a time when many communities are currently facing electricity supply shortages, and the local political issues involved with siting and building new power plants are difficult and contentious, our bill provides a way to reduce pressures on the nation's electricity grid. Specifically, our bill provides tax incentives for:

Efficient residential buildings, saving 30% or 50% of energy cost to the homeowner compared to national model codes, with a higher incentive for the higher savings.

Efficient heating, cooling, and water heating equipment that reduces consumer energy costs, and, for air conditioners, reduces peak electric power demand, by about 20% (lower incentives) and 30%-50% (higher incentives) compared to national standards.

New and existing commercial buildings with 50% reductions in energy costs to the owner or tenant, and
Solar hot water and photovoltaic systems.

If only 50% of new buildings reach the energy efficiency goals of this legislation, air pollution emissions in this country could be reduced by over 3% in the next decade, and decrease even more dramatically over time. In that same ten-year period, this legislation could result in direct economic savings of \$40 billion to consumers and businesses. For example, a family that installs an energy efficient water heater can get \$250 to \$500 back from the tax code changes and an additional \$50 to \$200 every year in reduced utility bills. Or a family that purchases a new home that meets the standards in this bill can get as much as \$2,000 returned to them by the tax incentives, in addition to the \$300 or more in continuing energy savings.

I urge other Members to join us in saving American consumers money, improving the air we breathe and the water we drink, increasing the competitiveness of American industries, and eliminating inefficiencies in the tax code by encouraging energy efficiency in our schools and our commercial and residential buildings.